

REMARKS

Claims 1-2, 4-8 and 10-14 remain in the present application. Claims 3 and 9 have been canceled.

Independent claim 1 of the present application has been amended so as to include the limitations of now-canceled dependent claim 3. Similarly, independent claim 7 of the present application has been amended so as to include the limitations of now-canceled dependent claim 9.

In the Office Action dated September 23, 2004, the Examiner rejected, in particular, independent claims 1 and 7 of the present application under 35 U.S.C. §103 (a) as being unpatentable over May (U.S. Patent No. 6,317,727). For the following reasons, Applicant respectfully traverses the Examiner's rejection and respectfully requests the withdrawal thereof.

First, Applicant respectfully submits that the May reference does not teach or suggest "a credit memory as part of the payment processing device, the credit memory having a plurality of first credit memory areas for storing electronic credit balances for the plurality of auction bidders." Second, Applicant respectfully submits that May does not disclose "a separately addressable third memory area as part of the credit memory, the third memory area for storing an electronic credit balance associated with an auctioneer."

The May reference discloses a system and a method for monitoring credit risks with respect to electronic trading systems. Pursuant to such systems and methods, different terminal devices (trader workstations) are connected to one another via an auction server (central processing center). As stated above, however, such systems and methods do not include the claimed feature "a credit memory as part of the payment processing device..." Conversely, referring to the passages cited by the Examiner in May, the associated elements of credit performance module 76, market interface module 74, auction module 80 and memory 90 are actually situated in a trader workstation 20, not in an auction server.

The May reference only discloses that so-called "credit performance information" can be stored in the data bank 66 of the central processing center 12 so as to utilize this information during the execution of electronic trading processes. Such pieces of credit performance information, however, are not, in fact, "electronic credit *balances*" as per the claimed invention.

Rather, such pieces of information merely relate to a "yes/no statement, a maturity of a financial instrument or a risk equivalent" (see, for example, Col. 6, lines 42-44).

With respect to the claimed "separately addressable third memory area..." May only teaches that a settlement module 42 within the trade mechanisms 30 in the market module 44 which can calculate commissions, generate confirmations and send such confirmations to the involved parties. May does not disclose a third memory area for storing an electronic credit *balance* associated with an auctioneer. Moreover, the memory shown in the May reference (see, for example, Figure 3, reference No. 90) is actually situated in the trader workstation 20 (namely, in the terminal) and not in the auction server 12.

In light of the above, Applicant respectfully submits that independent claims 1 and 7 of the present application, as amended, as well as claims 2, 4-6, 8 and 10-14 which respectfully depend therefrom, are both novel and non-obvious over the art of record. Accordingly, Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

It is further submitted that a one month extension of time of \$120.00 is due in connection with this response at this time. However, if any additional fees are due in connection with this application as a whole, the Examiner is authorized to deduct said fees from Deposit Account No.: 02-1818. If such a deduction is made, please indicate the attorney docket number (0112740-214) on the account statement.

Respectfully submitted,

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